minus two per cent of the Benchmark Prime Lending Rate (BPLR). And the bank have also been advised to have three slab rates, which I have given in my answer; that is, upto Rs. 50,000, between Rs. 50,000 and Rs. 2 lakhs and above Rs. 2 lakhs. This is the extent to which, I think, there can be a certain voluntary discipline and voluntary guideline for lending. Beyond that, if either the IBA or the Government interferes with the price mechanism of banks, I think, that is a bad practice... *(interruptions)*... Let me complete my answer ..*(Interruptions)*... I have not completed my answer...

MR. CHAIRMAN: Let him *reply...(Interruptions)...*

**प्रो0 एम0 एम0 अग्रवाल:** मेरी बात सुन लीजिए। सर, इसका जवाब तो आया हुआ है।

**श्री सभापति**: आया हुआ है तो क्यों पूछा आपने?

**प्रो0 एम0 एम0 अग्रवाल**: मैंने इसलिए पूछा कि ये सुधारेंगे या नहीं।

**श्री सभापति**: ये कह रहे हैं कि सुधारेंगे या नहीं।

**प्रो0 एम0 एम0 अग्रवाल**: वे तो वही पढ़ कर सुना रहे हैं।

**श्री सभापति**: ये आपके क्वैश्चन को भी सुधार देंगे, क्वैश्चन का जवाब भी सुधार देंगे और आपको भी सुधार देंगे।

**श्री सभापति**: नेक्स्ट क्वैश्चन, 551।

**Mid-term appraisal of oil PSUs**

*551. SHRI MOOLCHAND MEENA:

DR. T. SUBBARAMI REDDY:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether taking note of their incorrect investment pattern in oil and gas sector, Central Public Sector Undertakings *viz.* ONGC, IOCL, HPCL, BPCL, GAIL and OIL have been urged to improve their intrinsic competitiveness and professional functioning.

(b) if so, whether during discussions in mid-term appraisal it was felt that there is a need to restructure the oil companies to attain sectoral objectives;

(c) if so, what suggestions were made by the Planning Panel and how many of its recommendations have been accepted by the Ministry; and

The question was actually asked on the floor of the House by Dr. T. Subbarami Reddy.

(d) the steps being taken to implement them?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRIMANI SHANKAR AIYAR): (a) to (d) A Statement is laid on the Table of the House.

***Statement***

(a) to (d) The Mid Term Appraisal Document of the Planning Commission for the Tenth Plan (2002—07) is yet to be finalized. However, their draft document for the Mid Term Appraisal has made the following recommendations:-

I. Restructure the oil and gas CPSUs in order to promote effective competition.

II. Review the current pricing of crude oil (both domestic and imported), natural gas and all its components, petroleum products and pipeline transportation and other services.

III. Introduce price competition in all petroleum products. Impose universal service obligations by requiring a percentage of sales in notified areas but allow differential pricing in different markets to reflect cost of supply. States may choose to subsidize prices in remote areas.

IV. Bid out subsidies for LPG and Kerosene.

V. Encourage competing private participation in each element of the oil and gas industry (exploration and production, refining, marketing).

VI. Rationalise the tax and duty structure prevailing in the oil and gas sector.

VII. Declare authorized enduses (as long as demand exceeds supply) for domestic natural gas and piped natural gas imports. Allow the market to determine the price of natural gas for these recognized enduses. LNG may be sold for any enduse and could complete with natural gas to meet any residual demand for the authorized enduses.

VIII. Increase emphasis on acquiring equity oil and gas abroad. Develop capacity and structures that provide better assessment/control of commercial and political risks of such investments.

IX Increase emphasis on transnational pipelines and LNG imports.

X Develop transportation and distribution assets in the oil and gas sector that provide services under common carrier principles applicable to natural monopolies.

XI. Modify the Petroleum and Natural Gas Regulatory Bill, 2004 to include regulation of upstream sector.

XII. Allow foreign operators to bring technology and investment to recover oil/gas from currently abandoned and/or marginal fields on economic considerations.

The recommendations are being examined by the Ministry for sending replies to the Planning Commission for further necessary action.

DR. T. SUBBARAMI REDDY: Sir, I would like to know whether the Planning Panel has suggested creation of two fully integrated public sector national oil companies that would be competing with each other and with private companies. I would also like to know whether these two national oil companies could engage in exploration and production activities in the field of oil and gas and could have downstream refining and marketing operations. Also, whether these integrated national oil companies would, directly or through majority owned subsidiary companies, also invest in equity oil and gas overseas.

SHRI MANI SHANKAR AIYAR: The thrust of the Planning Commission's recommendation is that there should be restructuring of oil and gas Central Public Sector Undertakings in order to promote effective competition. The details are a matter of consideration between themselves and us. But what we will ensure in the Ministry of Petroleum and Natural Gas is that in whatever manner restructuring takes place, it provides for a strong and an effective oil public sector, which will compete in the market with the best of the private sector and the international sector. That, certainly, will be ensured.

DR. T. SUBBARAMI REDDY: Sir, my second supplementary is this. I would like to know whether the Government had set up an Advisory Panel on the question of merger of oil companies which was asked to go into various issues relating to restructuring of public sector companies. I would also like to know whether the hon. Prime Minister has cited China and has said that the Oil PSUs can do with new look and compete abroad, and whether he has also pointed out that the Government was exploring possibilities of restructuring oil PSUs to make them globally competitive.

SHRI MANI SHANKAR AIYAR: Sir, I think, the hon. Member has not referred to an advisory panel, but he is referring specifically to a committee which is the Advisory Committee on Synergy in Energy headed by Dr. V. Krishnamurthy. The date of 16th May has been provisionally given as the target date for submission of the Report.

But, from the beginning, I have been stressing that the Committee must be given all the time that it requires and, possibly, it will require a little more time to submit its report. The Prime Minister has certainly referred to the importance of restructuring our oil sector companies. But he has not made any specific suggestion as to how this have to be done. I imagine that what we will be doing is receiving the report of the Krishnamurthy Committee, studying it very carefully in the Government and then taking our proposals further forward.

MR. CHAIRMAN: Question Hour is over.

## WRITTEN ANSWERS TO STARRED QUESTIONS

### Permission for unmanned aircrafts to fly over civilian air space

*544. SHRIMATI KUM KUM RAI:

SHRI PRAMOD MAHAJAN:

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that unmanned spy aircrafts are being allowed to fly over civilian air space;

(b) if so, the details thereof; and

(c) whether incidents of air crashes are likely to increase as a result thereof?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) and (b) Unmanned Aerial Vehicles (UAV) used by Indian Air Force (IAF) for reconnaissance and surveillance are allowed to fly as per the stipulated regulations of IAF and Directorate General of Civil Aviation (DGCA). UAVs adhere to all rules and regulations like any other military aircraft.

(c) Flying of UAVs is not likely to increase the incidents of air crashes.

* Original notice of the question was received in Hindi.